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PRESERVATION

Nov.-Dec. 1982 Montana State Historic Preservation Office

In this issue of Preservation

Elsewhere in this issue of the *Post Preservation,* we review and make available to you copies of a book by Fred Quivik entitled *Historic Bridges in Montana.* Although the book was published by the National Park Service, U.S. Department of the Interior, the extensive, systematic inventory of historic bridges on which it reports was funded by the Federal Highway Administration and the Montana Department of Highways. That survey and sponsorship are special phenomena that deserve your attention.

Federal agencies, or state and local agencies that use federal money, are required to comply with federal laws and regulations that afford historic and prehistoric resources consideration in project planning. The applicable legal structure does not require an agency to preserve all historic resources in a project's path. But it does impose on agencies a fairly exacting set of procedures to use in identifying, weighing the value of, and looking for ways to avoid harm to, significant cultural properties.

When observed—and it is in one form or another by many federal agencies—that legal framework affords Montana's cultural heritage a welcome consideration. The historic buildings at Fort Peck are not just at the mercy of the Corps of Engineers' wishes. Ghost town remains in Forest Service management should get professional review if demolition is being considered. Oil companies now often move drilling rigs just far enough to avoid the features of a significant prehistoric site.

But, as in any regulatory process, everyone grumbles about the various rules and requirements a lot, and can find in them wonderful scapegoats. The Highway Department regularly throws up its hands over what our office recommends as eligible for the National Register of Historic Places. We, in turn, nag at them for delaying consideration of cultural resources in particular projects.

And, in the middle of all that "regulatory compliance" work, we do not realize and appreciate often or fully enough the enormous amount of information about Montana's heritage that various federal and state agencies

continued . . .

A Labor of Love: The State Historic Preservation Review Board

For any Montanan interested in historic properties or historic preservation, the State Historic Preservation Board is a group you will want to know, and whose business meetings and duties may be of particular interest to you.

The State Historic Preservation Review Board consists of nine members appointed by the governor for four-year terms. Its membership must include both individuals with professional expertise in history, architectural history, architecture, archaeology, and paleontology as well as members of the public interested in preservation. The Board is legally mandated by federal regulation and state law. Montana must have a State Historic Preservation Review Board in addition to a professional preservation staff in order to receive federal Historic Preservation funds. In federal eyes, the Review Board exists to insure that two levels of professional review occur within each state for any National Register nomination or other preservation project, and to make certain that broader public interest in preservation influences program development. The Board is also directed by state law to make sure that Montana qualifies for federal funding, and to review and approve nominations that the Preservation office prepares for the National Register of Historic Places. The Montana State Antiquities Act also asks the Board to review the office's federal grant applications and to assist other state agencies in their compliance with state-mandated preservation measures.

At the present time, the Board meets quarterly. The first major agenda item at every meeting is review and approval of pending nominations to the National Register of Historic Places. Prior to each Board meeting, members are sent information and photographs of the properties to be considered. Board members are then able to spend meeting time making suggestions about nomination content, discussing the qualifications of property for the Register, listening to public reactions to a property's historic value, and then voting on specific nominations. Additionally, the Board joins the Preservation Office staff in selecting Preservation Award winners and in determining priorities for the office's annual work program.

But the Board's greatest contribution to Montana preservation and to the Preservation office

State Historic Preservation Review Board (L. to R.): Bill Melton, Ron Holliday, Tom Roll, Margaret Warden, David Rivenes, Jack Lepley, Fred Quivik.

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staff occurs in other ways. It results from the concerted sharing of ideas, interest, experience, and time during meetings and throughout the rest of the year. In the course of Board meetings, for instance, the Board hears an outline of current office activities and plans. Their response, based on a wider, often community-based perspective, assists the staff significantly in better tailoring their work to Montana needs and preferences. Board members also serve as preservation troubleshooters in their own communities, explaining local problems to the Preservation office and explaining Preservation office work to people in the community. Board members also are often actively involved in preservation projects of their own and serve as good examples of both philosophy and good practice to others in the state. Even by itself, the time that Review Board members give to attend Board meetings and preservation functions constitutes good moral support for the Preservation office.

Let us introduce you to the individuals who comprise this Board and who contribute so much to Montana preservation work. We invite you also to attend Review Board meetings, the upcoming schedule for which is printed elsewhere in the newsletter.

J. Kimball Barnard, appointed to provide architectural expertise to the Board, is one of the newest members. Kim is a partner in the Missoula architectural firm of Barnard and Holloway Architects, which was begun in 1960 and has overseen a wide range of Montana construction. He was an honors graduate of Washington State University at Pullman in architecture, and is currently involved in rehabilitation project work on the Palace Hotel in Missoula.

Ron G. Holliday served as Montana's State Historic Preservation Officer from 1975 until 1977, when the State Historic Preservation Office was still in the Montana Fish and Game Department. He is now Administrator of the State Parks Division, Montana Fish, Wildlife, and Parks Department. Ron graduated from Rice University in Houston, Texas, with a B. S. degree and has a master's in Park Administration from Colorado State University at Ft. Collins. Ron's familiarity with the program, his knowledge of state and federal budget and legislative processes, and his stewardship of state historical parks, insure the Board and the staff of a very practical kind of counsel.

One of the Board's two historians, John G. Lepley of Fort Benton, is among the most active and effective of the state's local historians and preservationists. Although a science teacher by occupation, Jack is among the founders of the Fort Benton Museum, has written several articles on Fort Benton and Missouri river themes, is a lecturer and guide on a variety of Western historical topics, directed a historical/architectural inventory of Fort Benton buildings, and has just organized the beginning restoration of the historic bridge at Fort Benton. Jack, who has teaching, history, and science degrees from the University of Montana, also serves in a variety of local governmental positions.

The required expertise in paleontology is brought to the Review Board by William G. Melton, Jr. Bill is currently curator of the geology collections at the University of Montana and an Adjunct Associate Professor of Geology there. A graduate of the Universities of Montana and Michigan, Bill worked previously at the University of Michigan in the Museum of Paleontology and for the United States Geological Service in Washington, D.C. Bill is currently involved in research and the collection of fossils from central Montana, and often answers questions and correspondence for the Preservation staff in that field.

Fredric L. Quivik, the board's architectural historian, may know Montana better than any other member of the Board or the staff. Fred is currently part-owner of an energy-conservation consulting firm in Butte but has served on a variety of historical survey projects in Montana. The largest of those was a systematic inventory of historic bridges in Montana. That inventory, done under contract to the Montana Department of Highways and the Historic American Engineering Record, resulted in the identification of over 500 historic bridges throughout the state. Fred has a degree in architecture from the University of Minnesota and a master's in historic preservation from Columbia University. He represents the national preservation advocacy group, Preservation Action, here in Montana, and is an organizer of the Montana Preservation Network.

David Rivenes flies over for Review Board meetings, literally and figuratively, from Miles City. Dave and his wife Ella run TV station KYUS there, while pursuing a wide variety of interests in sports, history, and politics. Dave has been a dude rancher, a federal range manager, an insurance salesman, and brings to the Board a wonderful enthusiasm for the past and a solid knowledge of how to interest Montanans in it.

Dr. Tom E. Roll, Associate Professor of Anthropology, Montana State University, represents the field of archeology on the Board. Tom is a native of Montana, with degrees from the University of Montana, University of Nebraska, and Washington State University. He has worked extensively on Montana archeological research projects in the Tiber Dam and the Libby vicinities and is the author of a variety of publications in the field. Given the number of prehistoric site questions and issues that confront the staff, Tom's familarity with the state's prehistory and his ability to link public and professional concerns have been invaluable.

Dr. Jeffrey J. Safford, Professor of History at Montana State University, is on sabbatical this fall in Great Britain. Jeff is the second of the Board's historians and brings to that position extensive teaching, researching, and writing experience in Montana and the United States history. Jeff's educational background includes undergraduate and graduate work in English, music, and history. He received his doctorate from Rutgers University. Within Montana, Jeff has organized Bicentennial efforts, Montana History Conferences, oral history projects, and research projects on historical properties used by Montana State University.

Margaret Warden's experience in libraries, state government, local organizations, and national lobbying efforts make her an invaluable member of the Review Board. Margaret is a native of Great Falls and began her professional career as a librarian for the Great Falls Tribune. Throughout her life, she has served on a wide range of community organizations and boards, most of them directed to education, history, or library work. She was elected to the State Senate in 1975 and 1977 and has served on the White House Conference on Libraries and Information Services.

In This Issue . . .

have generated in their execution of federal preservation regulations.

Consider the historic bridge inventory sponsored by the Federal Highway Administration and the Montana Department of Highways again. That work did not duplicate any other scholarship in the state. Bridges have not yet caught the imagination of many local historical organizations; schoolhouses and mansions are still more in vogue as community restoration projects. We tend to see bridges as utilitarian structures, almost without personality. Few of us are engineers, and so have little background to use in assessing the technology of bridge development.

The inventory, in one single effort, presents to all of us an incomparably rich, new lens through which to look at Montana history. Through it, we can get a clearer sense of implications of county-splitting, because these bridges often lie in more than one single jurisdiction. We are introduced to a set of distinguished Montana bridge builders and the kind of terrain they had to confront, and we are shown bridge types that may survive here alone. We begin to see changes in community life when bridges link long-separated sides of a river. In short, for those of us who have browsed through the study, bridges have become fascinating reminders to ask more about the whys and hows of this state's settlement and evolution.

That slice of past was given to us not by the scholarly interest of a university professor. It was not paid for by industry seeking good public relations. It was orchestrated and funded by federal and state agencies, in order that they be good stewards of Montana's resources in advance of their own project mandates. For that stewardship and public respect, thank you very much.

— *Marcella Sherfy*

REVIEW BOARD SCHEDULE

February 4, 1983
May 6, 1983
August 5, 1983
November 4, 1983

Draft National Register nominations must be received 60 days before they may be presented to the Review Board.

State & Federal Preservation Tax Incentives

TAX ACT PROJECTS IN PROGRESS

The investment tax credit (ITC) included in the Economic Recovery Tax Act of 1981 has visibly increased private sector investment in historic Montana properties. This is clearly reflected in rehabilitation projects reviewed by the State Historic Preservation Office. Under the less lucrative tax incentives available from 1976 through 1981, approximately $5 million in Montana rehabilitation projects were certified as eligible for the federal tax incentives. Since passage of the new law, which includes a 25 per cent ITC for the substantial rehabilitation of certain depreciable buildings listed in the National Register of Historic Places, over $9 million in rehabilitation projects have either been completed, are under construction, or are being reviewed. This increase is especially significant when one considers the current economic climate under which these projects are beginning.

1018-1024 Maryland Avenue, Butte
The rehabilitation of these two side-by-side fourplexes will return these almost uninhabitable apartments to utility as efficient contemporary units, while respecting the historic character of the interior and exterior of the buildings.

To qualify for the 25 per cent ITC, a building must be listed in the National Register of Historic Places, or located in an historic district listed in the National Register. For buildings listed as part of a district, owners must submit a short application through the State Historic Preservation Office to the National Park Service defining the historic character of the building and its contribution to the district. Almost all of the preservation projects this office has seen in the past, and those currently underway, have been located in Montana cities that have undertaken systematic surveys to identify their historic resources and that have nominated significant collections of buildings to the National Register. The State Historic Preservation Office can provide map boundaries for the National Register districts in Billings, Bozeman, Butte/Walkerville, Fort Benton, Livingston, Helena, Red Lodge and Virginia City.

A partial list of projects which have qualified for the preservation tax incentives since January 1 include:

Old City Hall, Butte: adaptive reuse as a visitors' information center, retail and office space.

Snidow House, Billings: conversion of a former single family residence to office space.

Power Block, Helena: rehabilitation of a six-story building and three adjacent two-story buildings for office and retail space.

Belmont Hotel, Missoula: upper floor rehabilitation to provide downtown housing units.

Montana Club, Helena, Fifth Floor: rehabilitation of condominium office space.

228-228½ East Second Street, Butte: rehabilitation of a small, turn-of-the-century duplex for continued use as a residential rental property.

CHANGE IN PRESERVATION TAX INCENTIVES

The new tax act bill passed by Congress on August 19, 1982, and signed by President Reagan reduced some of the incentives the Economic Recovery Tax Act of 1981 had provided for rehabilitating certain depreciable historic buildings. The new law, although not affecting the 25 per cent investment tax credit (ITC), requires that for depreciation purposes the owner must reduce the basis (acquisition cost plus capital improvements minus any depreciation deductions taken) in the building by one-half the value of the ITC.

Previously, those owners undertaking a certified rehabilitation of a certified historic structure could claim the 25 per cent ITC and did not have to subtract the ITC from their basis in the building. With the change in the law, building owners will be able to depreciate only 87.5 per cent of the rehabilitation expenditures rather than the entire amount. Tax payers utilizing the 15 per cent or 20 per cent ITCs for the rehabilitation of 30- and 40-year-old buildings must continue to reduce their basis in the building by the full value of the ITC.

A transition rule in the new act, for rehabilitations in process, permits exemption from reducing the basis in the building if one of the following conditions is met: (1) a contract for the rehabilitation was entered into after December 31, 1980, and was binding on July 1, 1982, and at all times thereafter, and the building is placed in service prior to January 1, 1986; or, (2) rehabilitation work was begun between December 31, 1980, and July 1, 1982, and the building is placed in service prior to January 1, 1986; or, (3) a Securities and Exchange Commission filing and a Department of Housing and Urban Development Section 8 application filing were made before July 1, 1982, and the building is placed in service prior to July 1, 1984.

Atlas Block, Helena
This building, the last of several "fanciful" buildings which once lined Last Chance Gulch, was saved at the last minute from the City's demolition order. The historic preservation tax incentives provided the margin necessary to make an otherwise unprofitable investment a reality.

A. W. Miles Building
This former hotel designed for transients will provide housing for the elderly in downtown Livingston. The rehabilitation work has been certified by the National Park Service as being consistent with the historic architectural characteristics of the building.

STATE TAX CREDITS

Although the State Historic Preservation Office must continue to tell Montanans that there are no federal grants for building rehabilitation, the dollar incentives available for the rehabilitation of historically significant commercial, industrial, and residential rental structures are larger than most Montanans realize.

In 1976, Congress first passed limited tax incentives for the costs of rehabilitating certain depreciable properties listed in the National Register of Historic Places. The Economic Recovery Tax Act of 1981, which became law January 1, 1982, substantially increased the tax incentives available. The Act offers a 25 per cent investment tax credit against the costs of a substantial rehabilitation.

We do not, however, believe that many Montana investors or developers know how the federal preservation investment tax credit can generate an additional sizeable Montana tax credit. Section 15-30-162 of the Montana Code Annotated allows, as a credit against state taxes, a percentage of the credit allowed against federal taxes with respect to certain depreciable property. The amount of the credit allowed is 30 per cent of the federal credit, or in the case of certified historic structures, 30 per cent of 25 per cent. What this means for the hypothetical rehabilitation with allowable rehabilitation expenditures of $150,000 is that the owner would be allowed to take a direct credit against federal taxes owed of 25 per cent or $37,500, and a direct

credit against state taxes owed of 30 per cent of the federal credit, or $12,500 for a total credit of 33.33 per cent, or in this example, $50,000.

The state law, as the federal law, permits the credit to be carried forward 15 years or back three years if the taxpayer's liability is exceeded by the credit. In the event the taxpayer's liability for the taxable year exceeds $5,000, the investment tax credit may not exceed $5,000 plus 50 per cent of the tax liability in excess of $5,000. Both federal and state laws include other provisions and regulations that should be thoroughly considered by an owner and his accountant.

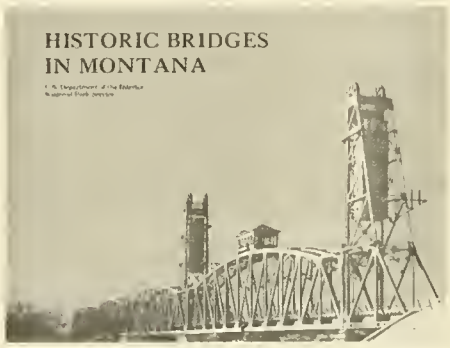
As is mentioned elsewhere in this issue, owners of historic buildings, investors, and developers have shown a tremendous interest in using the federal investment tax credit. The additional state tax credit could make the difference in many marginal projects and also provide a greater appeal to syndicated projects where the investment tax credit is used to attract a group of smaller investors.

Historic Bridges in Montana

Historic Bridges in Montana by Fredric L. Quivik, an 85-page book summarizing the results of a systematic inventory of all the bridges in Montana over 45 years of age and 20 feet in span, is now available from the State Historic Preservation Office, Montana Historical Society. The survey was funded by the Department of Highways, Federal Highway Administration, and the Historic American Engineering Record. Publication of the book was undertaken for those organizations by the National Park Service, U.S. Department of Interior.

The systematic inventory of historic Montana bridges represented the Montana Department of Highways' desire to have a cost-effective, comparative study of bridges that they were considering for possible replacement. The survey ultimately entailed field recording, photographing, and researching over 500 structures. Eighty of those recorded were judged by Quivik and, more recently, by the Montana State Historic Preservation Review Board, to be eligible for listing in the National Register of Historic Places.

Quivik describes the methods he used to do the survey, discusses all the bridges thought to be



Register-eligible, and begins with an excellent narrative history of the development of transportation patterns and engineering techniques in Montana. The narrative gives readers a framework in which to see bridges as representatives of historical changes in the state, and also in the context of engineering technology development in Montana.

Copies of the book will soon be made available to historical organizations, counties, and libraries throughout the state. Others interested in a copy should write to the Preservation Office.

1982 Historic Preservation Poster

Look for the 1982 Historic Preservation Poster at your local museum, library, county courthouse, or historical society meeting. It is entitled simply, "Homesteads," and reproduces an unidentified photograph of a homestead family in front of their house. The photograph, chosen for its very anonymity and its clear representation of homesteaders and their buildings, is from the L. A. Huffman Collection, which has just been donated to the Montana Historical Society.

The poster's theme constitutes an area of particular interest and concern to the Historic Preservation Office. The office, along with many others in the state, is often asked to evaluate the relative significance of homestead remains that are threatened by energy development. Those remains range from continuously-used houses and barns, to abandoned buildings, to scatters of rubble in a field. And there are currently no easy ways to answer the question of which homestead sites are important. To date, we have very few statistics on even the number of buildings built, much less the percentage of those that survive. Very little has been done to compare the information that can be derived from a detailed study of sites and buildings with what can be drawn from the written homestead records in the National Archives.

The poster, then, represents one of several projects that the Preservation Office has undertaken to provoke interest and scholarship in homestead evaluation. Two morning-long workshop sessions at the 9th Annual Montana History Conference concentrated on how to record and evaluate homesteads. The Preservation Office hired, on contract, Cultural Research and Management, Inc., Bismarck, N.D., to study a single township in each of Chouteau, Prairie, and Rosebud Counties to assess the potential of homestead sites in those areas and to provide us with information not readily available elsewhere.

We urge you then, to send us any information you or others have about homesteading or about a particular homestead site that interests you.

Copies of the 1982 Historic Preservation Poster may be obtained at the Montana Historical Society Gift Shop in Helena for $2.50. If ordering by mail, please add $1.25 shipping charge.

Preservation Funds Status

If you are interested in following the vicissitudes of Federal funding for preservation, here is a short summary. We are now in Federal Fiscal Year (FY) 1983; it began on October 1, 1982. The federal funding that we are still allocating to several Montana projects, however, is FY82 money, appropriated a year ago by Congress. We successfully reapplied for the authority to expend those FY82 dollars into this next fiscal year. Congress has not yet voted on the Department of Interior appropriation for FY83, the appropriation which includes historic preservation funds. They will not do so until members return from Thanksgiving recess and may not complete action until after the first of the year. The Reagan Administration is again recommending that *no* federal funds be awarded to states for preservation grants. However, Congress continues to consider alternate budget proposals that contain a limited amount of federal funding for State Historic Preservation Office use and distribution. In the absence of an approved FY83 budget, the federal government is running on a continuing resolution approved by Congress that authorizes expenditures for brief periods of time at last year's levels. However, given its opposition to state preservation programs, the Reagan Administration has not yet released funding approved through the continuing resolution. They are threatening to impose deferral measures or recissions on all continuing resolutions and perhaps on a real appropriation for FY83 if Congress authorizes Historic Preservation Fund grants. Hence, it looks as if the availability of preservation grant funding in Montana is more dependent now on Administration action than on Congressional approval.

Architectural Photography: Techniques for Architects, Preservationists, Historians, Photographers, and Urban Planners, by Jeff Dean, American Association for State and Local History, Nashville, Tennessee: 1981. ($19.95)

For the nonprofessional photographer interested in photographing buildings well, this book is an indispensable reference and guide. The author, Jeff Dean, shares his knowledge of architectural photography gained through "trial, error, and personal experience" in direct and simple language. During recent years, the 35mm single lens reflex camera has become the most widely used tool to record modern and historic buildings in the course of community historic and architectural survey projects and for nominations to the National Register of Historic Places. *Architectural Photography* is the first book ever published to focus on the types and makes of 35mm equipment specifically in terms of its utility in preparing high quality documentation of buildings.

— PAT BICK